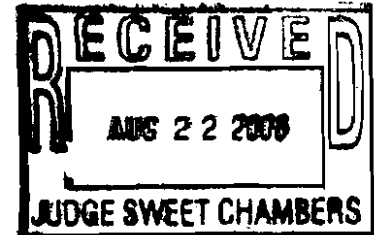


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



LARRY FREUDENBERG, Individually and
On Behalf of All Others Similarly Situated,

Plaintiff,

vs.

E*TRADE FINANCIAL CORPORATION,
MITCHELL H. CAPLAN and ROBERT J.
SIMMONS,

Defendants.

Civil Action No.

07 Civ. 8538 (RWS)

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 9-4-08

STIPULATION AND [PROPOSED] ORDER

WHEREAS five related securities class actions were brought on behalf of all persons and entities who purchased or otherwise acquired securities of defendant E*TRADE Financial Corporation;

WHEREAS by Order dated July 16, 2008 (the "July 16 Order"), *see Freudenberg v. E*TRADE Financial Corp., et al.*, No. 07 Civ. 8538, 2008 U.S. Dist. LEXIS 62767 (S.D.N.Y. July 16, 2008), these five actions were consolidated for all purposes, thereby creating a single consolidated action (the "Consolidated Action");

WHEREAS in accordance with the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), 15 U.S.C. § 78u-4(a) *et seq.*, this Court, in the July 16 Order: (i) determined that the Kristen-Straxton Group was the movant with the largest financial interest in the relief sought by the class; (ii) appointed the Kristen-Straxton Group as Lead Plaintiff to represent the class; and (iii) approved its selection of Brower Piven, A Professional Corporation, to serve as Lead Counsel to represent the class;

WHEREAS in the July 16 Order this Court appointed Ira Newman as Co-Lead

Plaintiff in order to address the possibility of a conflict arising between the Kristen-Straxton Group and the class, and approved his selection of Levi & Korsinsky, LLP, as Co-Lead Counsel to represent Co-Lead Plaintiff in the Consolidated Action;

WHEREAS on or about November 14, 2007, this Court so-ordered a stipulation (the "November 14 Scheduling Order") entered into by counsel for Larry Freudenberg and William Boston, plaintiffs in two of the actions comprising the Consolidated Action, and counsel for defendants in the Consolidated Action;

WHEREAS the November 14 Scheduling Order addressed, among other things, a schedule for the filing of a consolidated amended complaint after the entry of an order selecting lead plaintiffs and appointing lead plaintiffs' counsel, and a schedule for defendants to answer, move, or otherwise respond to such consolidated amended complaint;

WHEREAS none of the plaintiffs who entered into the November 14 Scheduling Order was selected as lead plaintiff and none of the counsel who entered into the November 14 Scheduling Order was selected as class counsel pursuant to the PSLRA;

WHEREAS neither Lead Plaintiff the Kristen-Straxton Group (or its counsel) nor Co-Lead Plaintiff Ira Newman (or his counsel) has previously filed a complaint in any case comprising the Consolidated Action; and

WHEREAS counsel for Lead Plaintiff, Co-Lead Plaintiff, and defendants have conferred regarding scheduling and other limited matters pertaining to the Consolidated Action and have stipulated and agreed to the following,

IT IS HEREBY ORDERED that:

1. This Order supersedes the November 14 Scheduling Order.

A. SCHEDULING

2. Plaintiffs shall have until December 30, 2008 to file and serve a Consolidated Amended Complaint (the "CAC").

3. Defendants shall have until March 16, 2009 to answer, move, or otherwise respond to the CAC.

4. Plaintiffs shall have until June 1, 2009 to file and serve opposition papers in response to any motion to dismiss filed by any defendant.

5. Defendants shall have until July 31, 2009 to file and serve reply papers with respect to any motion to dismiss filed by any defendant.

6. Nothing in this stipulation constitutes a waiver of any claims or defenses.

B. CASE MANAGEMENT

7. Every document filed in the Consolidated Action shall bear the caption appearing at the top of this Stipulation and shall be filed only in Civil Action No. 07 Civ. 8538 (RWS).

8. Any other actions involving a common question of law or fact now pending or later filed in or transferred to this district shall be consolidated for all purposes pursuant to Rule 42(a) of the Federal Rules of Civil Procedure, if and when such actions are brought to this Court's attention, whether by application to this Court or otherwise.

9. The parties acknowledge and agree to the application of the stay of discovery and obligation to preserve evidence set forth in the PSLRA, 15 U.S.C. § 78u-4(b)(3)(B) and (C), respectively, and as provided by applicable law.

10. The parties, through their counsel, shall submit further stipulations regarding management of the Consolidated Action as appropriate.

STIPULATED AND AGREED

Dated: New York, New York
August 22, 2008

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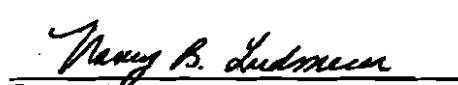
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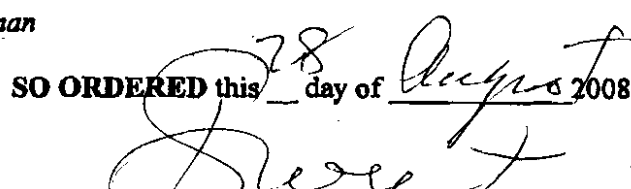
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SO ORDERED this 28 day of August 2008


Honorable Robert W. Sweet
United States District Judge